

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 570**

**Introduced by Assembly Member Chu**

February 18, 2003

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An act to amend Section 2675.5 of the Labor Code, relating to garment manufacturers, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 570, as amended, Chu. Garment manufacturers: fees.

Existing law requires every person engaged in the business of garment manufacturing to register with the Labor Commissioner *and pay an annual registration fee*. Existing law further requires the Labor Commissioner to deposit \$75 of each registered garment manufacturer's registration fee into a separate account and provides that the funds in the separate account shall be disbursed by the commissioner to persons damaged by the failure of a garment manufacturer, jobber, contractor, or subcontractor, after exhausting any applicable bond, to pay wages or benefits. *Existing law permits the remainder of each registrant's annual registration fee not deposited into the separate account to be deposited into a subaccount and applied, upon appropriation by the Legislature, to the costs the commissioner incurs in administering specified provisions of the Labor Code.*

This bill would authorize the commissioner to distribute the full amount of the funds ~~annually deposited into~~ in the separate account to garment workers to pay unpaid wages, benefits, unreimbursed expenses, interest, penalties, or other monetary damages or relief awarded to the garment workers as a result of violations of Industrial

Welfare Commission orders or the Labor Code. *The bill would also continuously appropriate the remainder of each registrant's annual registration fee not placed in the separate account for the purposes set forth in existing law.* By authorizing the continuous expenditure of the funds in the account for new purposes *and the continuous expenditure of the remaining portion of each registrant's annual registration fee*, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2675.5 of the Labor Code is amended  
2 to read:

3 2675.5. (a) The commissioner shall deposit seventy-five  
4 dollars (\$75) of each registrant's annual registration fee, required  
5 pursuant to paragraph (5) of subdivision (a) of Section 2675, into  
6 one separate account. The full amount of the funds ~~deposited~~  
7 ~~annually in the account~~ is continuously appropriated for  
8 distribution by the commissioner to eligible claimants. Funds from  
9 the separate account shall be disbursed by the commissioner to  
10 persons determined by the commissioner to have been damaged by  
11 the failure of any garment manufacturer, jobber, contractor, or  
12 subcontractor to pay wages, benefits, and other moneys owed after  
13 exhausting a bond, if any, posted by the garment manufacturer,  
14 jobber, contractor, or subcontractor. Funds may be disbursed to  
15 pay unpaid wages, benefits, unreimbursed expenses, interest,  
16 penalties, and all other damages arising from the violation of  
17 orders of the Industrial Welfare Commission, and for any other  
18 monetary relief awarded to a garment worker as a result of a  
19 violation of this code. Any disbursed funds subsequently  
20 recovered by the commissioner shall be returned to the separate  
21 account.

22 (b) The remainder of each registrant's annual registration fee  
23 not deposited into the special account pursuant to subdivision (a)  
24 shall be deposited in a subaccount and applied to costs incurred by  
25 the commissioner in administering the provisions of Section  
26 2673.1, Section 2675, and this section, ~~upon appropriation by the~~



1 ~~Legislature.~~ *and are hereby continuously appropriated for that*  
2 *purpose.*

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